

EXHIBIT B

UNITED STATES DISTRICT COURT
DISTRICT OF RHODE ISLAND

THE ESTATE OF YARON UNGAR, et al.,

Plaintiffs,

V.

THE PALESTINIAN AUTHORITY, et al.,

Defendants.

C.A. No. 00-105L

DECLARATION OF PRIME MINISTER SALAM FAYYAD

Pursuant to 28 U.S.C. § 1746, I, Salam Fayyad, declare as follows:

1. I am the Prime Minister of the Palestinian Authority. I first became Prime Minister on June 17, 2007.

2. I am an economist by training, having earned a doctorate in Economics in 1986 from the University of Texas. I also hold a masters degree from St. Edward's University in Austin, Texas. I earned my undergraduate degree from the American University in Beirut.

3. After obtaining my doctorate, I began my career teaching economics at Yarmuk University in Jordan. From 1987 through 1995, I worked for the International Monetary Fund (IMF) in Washington, D.C. From 1995 to 2002, I served as the IMF's Resident Representative for the West Bank and Gaza.

4. In 2002, I became the Finance Minister of the Palestinian government. I served in that position from 2002 through December 5, 2005.

5. During my service as Finance Minister, I became concerned about the manner in which cases like the instant one were affecting the finances of the Palestinian government,

particularly the finances of the Palestinian Pension Fund for the State Administrative Employees in the Gaza Strip. On June 18, 2005, I accordingly sent a letter to Secretary of State Rice requesting her assistance in these cases “consistent with the Constitution and laws of the United States.” I emphasized in my letter that the attempt by plaintiffs’ counsel to interfere with the actions of the Palestinian government around the world was “not supported by United States law, and also r[a]n counter to international law and the laws of several foreign states in which the PNA operates.” I further explained to Secretary Rice my understanding at the time that the PNA’s failure to “file an unqualified appearance and answer to plaintiffs’ complaint” had occurred in order “to preserve our legal position both in the United States and overseas (with respect to potential efforts by Plaintiffs to seek enforcement of the default judgment in other countries).” At that time I sent this letter, controlling the positions taken by the Palestinian Authority (PA) and the Palestine Liberation Organization (PLO) in the litigation was not within the scope of my responsibilities. My focus as Finance Minister for the PA was solely on the immediate financial implications of the litigation and, as noted below, my role as Finance Minister ended not long after I sent the correspondence to Secretary Rice. I have attached a copy of my letter to Secretary Rice to this declaration.

6. On December 5, 2005, I left the Cabinet to found and lead a slate of candidates called “the Third Way.” In 2006, I was elected to the Palestinian Legislative Council.

7. On December 21, 2006, I was appointed the head of the Economic Affairs Department in the PLO, and an observing member of the PLO’s Executive Committee.

8. In March 2007, I was reappointed as Finance Minister by President Abbas.

9. In June 2007, I was appointed Prime Minister and the Minister of Finance, and I was reappointed to those positions in July 2007.

10. One of my current duties is to address the legal responsibilities of the PA and the PLO in connection with a number of pending lawsuits in the United States judicial system. I have been authorized by President Mahmoud Abbas to make decisions for both the PA and the PLO in connection with these lawsuits.

11. As part of my review of the litigation, I became aware that President Abbas had corresponded with Secretary of State Condoleeza Rice with respect to the ongoing litigation of this and other similar suits filed against it in the United States. As a result of this correspondence, Secretary Rice instructed President Abbas to “respond to U.S. legal proceedings in a good faith and a timely manner.”

12. I have endeavored to ensure that all litigation in the United States courts is conducted in accordance with Secretary Rice’s instructions going forward. To this end, after engaging in appropriate inquiries, I decided to retain new counsel for the PA and PLO to handle all of the United States lawsuits, to provide them with clear instructions about their responsibilities and duties with respect to the litigation, and to discharge predecessor counsel.


13. I have instructed new counsel that the Defendants will participate fully in this and other litigation, in a cooperative manner, including complete participation in the discovery process. I have further instructed new counsel to transmit this commitment to the United States courts. I personally commit to sustain this instruction throughout the effort to litigate these cases. It is my belief that there are meritorious defenses to the claims brought in the United States and it is important to the PA to present those defenses. Moreover, it is important to the PA's role in the international community to participate in the legal process, even when it is process brought in the United States for actions by others that occurred far from the United States. The importance of this was not fully appreciated by the PA government, as a whole, until

recently. Now we can act on that understanding, and we therefore seek to contest this litigation, fully and responsively.

14. I am aware that this declaration is being filed in support of a motion by the PA and PLO to vacate a default, in order to obtain the opportunity to defend the case on the merits. I have authorized the use of my declaration for such a purpose.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on this th24 day of December 2007, at Ramallah, Occupied Palestinian Territory.


Salam Fayyad
Prime Minister of the Palestinian Authority